

EXHIBIT 4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Civil Action No. 1:11-CV-2598 (DLC)

IN RE:

PUDA COAL SECURITIES, INC., et al.
LITIGATION

Videotaped Examination Before Trial of GREGG A.
JARRELL, held in the law offices of NIXON PEABODY,
1300 Clinton Square, Rochester, New York 14604, on
Wednesday, September 9, 2015 at 11:47 A.M. before
BARBARA BUYERS, CSR, RPR, Notary Public.

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 GLANCY PRONGAY & MURRAY LLP,</p> <p>4 BY: JOSHUA L. CROWELL, ESQ.,</p> <p>5 1925 Century Park East, Suite 2100,</p> <p>6 Los Angeles, California 90067,</p> <p>7 jcrowell@glancylaw.com,</p> <p>8 Appearing for the Plaintiff and Gregg Jarrell.</p> <p>9</p> <p>10 WEIL, GOTSHAL & MANGES LLP,</p> <p>11 BY: GREGORY DANILOW, ESQ.,</p> <p>12 and CHRISTOPHER GISMONDI, ESQ.,</p> <p>13 767 Fifth Avenue,</p> <p>14 New York, New York 10153-0119,</p> <p>15 greg.danilow@weil.com,</p> <p>16 christopher.gismondi@weil.com,</p> <p>17 Appearing for Macquarie Capital.</p> <p>18 PRESENT:</p> <p>19 THOMAS FRANK,</p> <p>20 Videographer.</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 4</p> <p>1 THE VIDEOGRAPHER: We are now on the record.</p> <p>2 This begins videotape number one in the deposition</p> <p>3 of Gregg Jarrell in the matter of In Re: Puda Coal</p> <p>4 Securities, Incorporated litigation, in the United</p> <p>5 States District Court, Southern District of New</p> <p>6 York, civil action number 1 colon 11 dash CV dash</p> <p>7 2598.</p> <p>8 Today is Wednesday, September 9th, 2015 and</p> <p>9 the time is 11:47 A.M. This deposition is being</p> <p>10 taken at Nixon Peabody, LLP in Rochester, New York 11:43</p> <p>11 at the request of Weil, Gotshal & Manges, LLP. The</p> <p>12 videographer is Tom Frank of Magna Legal Services</p> <p>13 and the court reporter is Barbara Buyers of Magna</p> <p>14 Legal Services.</p> <p>15 Will the counsel and all parties present</p> <p>16 state their appearances and whom they represent.</p> <p>17 MR. DANILOW: Greg Danilow, Weil, Gotshal</p> <p>18 for defendant Macquarie.</p> <p>19 MR. GISMONDI: Chris Gismondi, Weil, Gotshal</p> <p>20 for defendant Macquarie. 11:43</p> <p>21 MR. CROWELL: Joshua Crowell, Glancy Prongay</p> <p>22 & Murray, representing plaintiffs and the witness.</p> <p>23 THE VIDEOGRAPHER: Will the court reporter</p> <p>24 please swear in the witness.</p> <p>25 THE REPORTER: Are there any stipulations?</p>
<p style="text-align: right;">Page 3</p> <p>1 INDEX TO WITNESSES</p> <p>2</p> <p>3 GREGG A. JARRELL Page</p> <p>4</p> <p>5</p> <p>6 EXAMINATION BY MR. DANILOW: 5</p> <p>7 EXAMINATION BY MR. CROWELL: 76</p> <p>8 RE-EXAMINATION BY MR. DANILOW: 77</p> <p>9</p> <p>10</p> <p>11 INDEX TO EXHIBITS</p> <p>12</p> <p>13</p> <p>14 Jarrell Exhibits Page</p> <p>15</p> <p>16 Exhibit 1 - Expert report dated 1/7/14 5</p> <p>17 Exhibit 2 - Expert report dated 5/1/15 14</p> <p>18 Exhibit 3 - Rebuttal report dated 6/1/15 44</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 5</p> <p>1 MR. CROWELL: No.</p> <p>2 MR. DANILOW: No.</p> <p>3</p> <p>4 GREGG A. JARRELL, 2500 East Avenue,</p> <p>5 Apartment 7U, Rochester, New York 14610, after being</p> <p>6 duly called and sworn, testified as follows:</p> <p>7</p> <p>8 EXAMINATION BY MR. DANILOW:</p> <p>9</p> <p>10 Q. Good -- still good morning, Mr. Jarrell. How are 11:44</p> <p>11 you?</p> <p>12 A. Fine, thanks.</p> <p>13 Q. Okay.</p> <p>14 MR. DANILOW: Why don't we get started by</p> <p>15 marking as Exhibit 1 the expert report of Gregg</p> <p>16 Jarrell dated January 7, 2014.</p> <p>17 (Whereupon, Jarrell Exhibit 1, expert report</p> <p>18 dated January 7, 2014, was then received and marked</p> <p>19 for identification.)</p> <p>20 BY MR. DANILOW: 11:45</p> <p>21 Q. Sir, is this a report you prepared?</p> <p>22 A. Yes.</p> <p>23 Q. As you sit here today, is there anything in this</p> <p>24 report that you think is in error or should be</p> <p>25 corrected in some way?</p>

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<p>1 2011?</p> <p>2 A. Correct.</p> <p>3 Q. And then in essence, are you saying because when Geo</p> <p>4 and Little made these reports and that went into the</p> <p>5 market, the market reacted in this way, I'm going to</p> <p>6 assume that had the auditor defendants said what</p> <p>7 they were supposed to say earlier, the market would</p> <p>8 have reacted in the same way?</p> <p>9 A. Yes. I mean, the only word in that description I</p> <p>10 might quarrel with is assume as opposed to conclude. 11:52</p> <p>11 Q. Okay.</p> <p>12 A. So with that qualification, yes.</p> <p>13 Q. Okay. Fine.</p> <p>14 A. That's a fair summary.</p> <p>15 Q. And then there's footnote 29 which says quote, in my</p> <p>16 opinion a disclosure from the company's auditor that</p> <p>17 it is resigning due to improper transfers of the</p> <p>18 company's assets by its chairman may be more</p> <p>19 credible than a similar disclosure from an unrelated</p> <p>20 third party. 11:53</p> <p>21 What point are you making there?</p> <p>22 A. The point I'm making there is that this approach --</p> <p>23 in this approach of mine of using the three dollars</p> <p>24 and twelve cents based upon what the short sellers</p> <p>25 disclosed is conservative in that had the same</p>	<p>1 THE WITNESS: It looks better.</p> <p>2 MR. DANILOW: You like it up here?</p> <p>3 THE VIDEOGRAPHER: Thank you.</p> <p>4 BY MR. DANILOW:</p> <p>5 Q. So in the same report, you then have a discussion of</p> <p>6 the defaulted defendants.</p> <p>7 A. Yes, sir.</p> <p>8 Q. What conclusion did you come to with respect to the</p> <p>9 damages for the defaulted defendants' conduct?</p> <p>10 A. Well, there are two differences for the defaulted 11:55</p> <p>11 defendants as compared to the auditor defendants.</p> <p>12 One is the class period is different. The class</p> <p>13 period is longer for the defaulted defendant; it</p> <p>14 starts earlier. They both end on April the 8th,</p> <p>15 2011 but the defaulted defendants' class period</p> <p>16 starts in, I think November 2009 whereas the</p> <p>17 auditors' starts in March 2010. That's difference</p> <p>18 number one.</p> <p>19 Difference number two is the artificial</p> <p>20 inflation for the auditors is three dollars and 11:55</p> <p>21 twelve cents, a constant number. The artificial</p> <p>22 inflation for the defendants is based on my</p> <p>23 conclusion that had the -- as I say here in</p> <p>24 paragraph 23, had the defaulted defendants fully</p> <p>25 disclosed the truth as they knew it at the time,</p>
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<p>1 information been disclosed by the auditors in a</p> <p>2 resignation letter, it could only be worse.</p> <p>3 So I'm putting the reader on notice that I'm</p> <p>4 going to defend this by saying that it's</p> <p>5 conservative, it could have been worse, it was at</p> <p>6 least this bad -- it would have at least been this</p> <p>7 bad.</p> <p>8 Q. And why would it be that disclosure from the</p> <p>9 auditors would be more credible, to use your phrase,</p> <p>10 than a disclosure from the short sellers? 11:54</p> <p>11 A. Well, they're -- you know, they're -- I think it's</p> <p>12 obvious but I'll explain it; they're hired by the</p> <p>13 company, they -- you know, it's a dramatic move for</p> <p>14 them to resign and when they put in their letter why</p> <p>15 they're resigning, there would be a certain</p> <p>16 assumption that it's true.</p> <p>17 Short sellers, sometimes what they say is</p> <p>18 true, sometimes what they say is not true. They're</p> <p>19 making allegations from afar and they have powerful</p> <p>20 economic incentives to say what they're saying, so 11:54</p> <p>21 all in all, on average, I would say that what I said</p> <p>22 in the footnote 29.</p> <p>23 THE VIDEOGRAPHER: Excuse me, counselor.</p> <p>24 Could you please raise your microphone higher on</p> <p>25 your tie?</p>	<p>1 then the stock price would have gone to zero.</p> <p>2 Basically it's like a sham company, has zero value.</p> <p>3 And so artificial inflation was computed for the</p> <p>4 entire class period based on that conclusion.</p> <p>5 In both cases, to be damaged, investors had</p> <p>6 to have been holding through the negative disclosure</p> <p>7 on April the 8th, 2011.</p> <p>8 Q. And the difference in the quantum of the damage is</p> <p>9 because had the insiders disclosed the whole truth,</p> <p>10 the stock would have gone to -- your conclusion is 11:56</p> <p>11 the stock would have gone to zero?</p> <p>12 A. Yes.</p> <p>13 Q. And why would the stock go to zero if the insiders</p> <p>14 disclose the whole truth and it only dropped three</p> <p>15 point one two per share when the auditors made the</p> <p>16 hypothetical disclosure that you had discussed?</p> <p>17 A. Well, the theory here is that the auditors'</p> <p>18 corrective disclosure would not have been a complete</p> <p>19 full-truth disclosure. It would have essentially</p> <p>20 been a partial disclosure. It would have put the 11:57</p> <p>21 market on notice that there's a serious question</p> <p>22 about the -- whether this company is really a bona</p> <p>23 fide company or whether it's a sham, it would have</p> <p>24 raised the market's assessed probability that this</p> <p>25 company was a sham but it wouldn't have raised that</p>

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<p>1 And then when the market opened up, even 2 though it opened at two dollars, it went to four 3 dollars on heavy volume. Most of that volume was 4 short sellers scrambling to get shares to cover 5 their positions. We know that because the short 6 interest declined by several million shares over 7 that period of time. 8 Same thing with 9/2; it was even more extreme 9 on 9/2. They were seven or eight million shares 10 short at the time the market reopened on 9/1 -- 9/2 13:22 11 and you compare the volume to the change in short 12 interest, most of the volume there is attributable 13 to people covering their shorts. 14 So there was a short squeeze. There was 15 clearly a lot more shares that were short than 16 shares available to cover the shorts by a large 17 margin. And this is evidence that's consistent with 18 this. I mean, I don't know -- we don't have 19 testimony from Trellus, we don't have testimony from 20 the person, you know, paying the seven dollars, I 13:22 21 don't think, so I can't know but I know enough to 22 know that that would be inappropriate to use as an 23 indication of the market price as of August the 4th. 24 That's why it's so inconsistent with the other 25 numbers, the price on 4/8 was six dollars and then</p>	<p>1 was the stock price reaction to those actual 2 disclosures and then matching those up with the 3 hypothetical corrective disclosure. 4 That's the most common approach, that's what 5 he's referring to and I certainly agree, it's the 6 typical approach. This isn't a typical case, as 7 I've been at pains to explain, this isn't the 8 typical securities fraud case. This is -- this is, 9 you know, a sham company and also, there're very 10 serious problems with using the event study once you 13:24 11 get past 4/8 for purposes of computing anything, 12 especially something as important as artificial 13 inflation. 14 So -- and I didn't ignore it, Mr. -- 15 professor Purcell is the one ignoring things. I 16 talked for many pages -- 17 Q. I think you mean professor Ferrell. 18 A. Did I say Purcell? 19 Q. Yes. 20 A. What is wrong with me. I'm getting old. 13:25 21 MR. CROWELL: We love Purcell. 22 THE WITNESS: Yes. Why I can't remember 23 that it's professor Ferrell since it's almost my 24 name exactly, spelling and pronouncement. But 25 professor Ferrell ignored the fact that I discussed</p>
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<p>1 when it opened back up again, it opened up at two 2 dollars, so -- 3 Q. If you could look at paragraph 18. 4 A. Yes, sir. 5 Q. Where it says professor Jarrell's estimates are 6 inconsistent with his own description of the most 7 common approach to estimating per-share damages. It 8 goes on to explain quote you as saying the generally 9 accepted method; have you read that? 10 A. Yes. 13:23 11 Q. Do you agree with the comments that are made there? 12 MR. CROWELL: Objection to the form. 13 THE WITNESS: I mean, he discussed this in 14 his deposition, which I've read as well. I think 15 it's unfair. I'm happy to explain why. 16 BY MR. DANILOW: 17 Q. Please. 18 A. Okay. Obviously I think it's unfair. 19 Q. And obviously you're happy to explain why. 20 A. And I'm happy to explain it, the only question is, 13:24 21 it's your deposition, would you like to hear it? 22 Q. Absolutely. 23 A. It is, as I say in my report, the most common 24 approach, the approach I typically use is based on 25 the report study, when they actually occurred, what</p>	<p>1 how one would employ or how one would use what he 2 calls the event study approach to compute damages in 3 this case. 4 I -- we have the Tabak report, Tabak uses my 5 event study and builds what is, in his mind, he 6 calls it a lost causation consistent estimate of 7 damages of six dollars and ninety-eight cents, and I 8 said look, if -- if for some reason the fact finder 9 says that we're not allowed to use -- you're not 10 allowed to use true value zero, that's off -- off 13:26 11 the table, now what? 12 That's my number. I adopt Tabak's number, 13 it's based on my approach, it's all of the numbers 14 come from my market model and I would -- and I would 15 then say, okay, well then, that's your next best 16 number, I think it's too low, I think it's 17 inappropriate for various reasons. One, the full 18 truth isn't out; two, it's very debatable whether 19 the market model is applicable once you get past 4/8 20 and certainly once you get past the ten per second, 13:26 21 it's very, very debatable whether the market model 22 is applicable. 23 You need an efficient market. You know, in 24 scientific theory you really need to have market 25 efficiency to use a market model. My market</p>

1 STATE OF NEW YORK
2 COUNTY OF ERIE.

3 I, Barbara Buyers, a Notary Public in and for
4 the State of New York, do hereby certify:

5 That the witness whose testimony appears herein
6 before was, before the commencement of his
7 deposition, duly sworn to testify to the truth, the
8 whole truth and nothing but the truth; that such
9 testimony was taken pursuant to notice at the time
10 and place herein set forth; that said testimony was
11 taken down in shorthand by me and thereafter under
12 my supervision transcribed into the English
13 language, and I hereby certify the foregoing
14 testimony is a full, true and correct transcription
15 of the shorthand notes so taken.

16 I further certify that I am neither counsel for
17 nor related to any parties to said action, nor in
18 any way interested in the outcome thereof.

19 IN WITNESS WHEREOF, I have hereunto subscribed
20 my name this 15th day of September, 2015.
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